

INCOMING TELEGRAM

Department of State

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Action

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SENT DEPARTMENT 117, REPEATED INFORMATION PARIS 4.

EXCON

PARIS PASS USRO/ST

REFERENCE DEPTTEL 90.

EMBASSY BELIEVES JAPAN LIKELY TO TAKE JAUNDICED VIEW TOWARD PROPOSAL FOR BOTH PROCEDURAL AND SUBSTANTIVE REASONS.

A. SINCE JAPAN NOT MEMBER NAC. IT WOULD CERTAINLY LOOK UNFAVORABLY UPON COUNCIL REVIEWING TRADE CONTROL QUESTION IN WHICH JAPAN VITALLY INTERESTED. THIS PARTICULARLY TRUE DUE TO PROBABLE BELIEF US WOULD NOT PROPOSE REVIEW IF WE DID NOT HAVE SOME PRACTICAL COURSE ACTION MIGHT FOLLOW. IN ADDITION TO EXCEEDINGLY IMPORTANT CONSIDERATION NATIONAL PRIDE, JAPAN CONSIDERS ITSELF IN COMPETITION WITH UK AND OTHER WESTERN EUROPEAN COUNTRIES FOR CHINA MARKET. DOUBTLESS WILL BELIEVE ATTITUDES OTHER COUNTRIES PARTICIPATING IN REVIEW WILL NOT ENTIRELY BE UNINFLUENCED BY COMMERCIAL CONSIDERATIONS, POSSIBLE DISADVANTAGE JAPAN. DOUBTFUL JAPAN WOULD FEEL ITSELF MORALLY BOUND ACCEPT ANY RECOMMENDATIONS WHICH MIGHT FLOW FROM NAC REVIEW THIS ISSUE IF IT WERE NOT INVITED TO PARTICIPATE.

B. ALTHOUGH JAPAN HAS COOPERATED WITH US IN QUESTION COMMUNIST CHINA TRADE, VIEW HERE ALMOST UNANIMOUSLY FAVORED RECENT RELAXATION CHINA CONTROLS. CONSIDERABLE INTEREST BEING SHOWN AT PRESENT TIME IN POSSIBILITY EXPANSION TRADE WITH COMMUNIST CHINA. INTRODUCTION PROPOSAL AT THIS TIME BY US LIKELY BE BELIEVED NEW EFFORT BY US RE-ESTABLISH HIGHER LEVEL CONTROLS

WHICH

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MACARTHUR

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